

# BMS WORLD MISSION

*Annual report & financial statements*

Year ended 31 October 2004

Baptist Missionary Society Registered Charity Number 233782

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#### Members of the Board of Trustees

The trustees who held office during the year were:

Rev Don Currie  
 Mrs Gillian Davies  
 Rev Graham Heath (from 1 May 2004)  
 Rev Martin Hodson (President)  
 Mr John Howes (Treasurer)  
 Miss Joan Maple  
 Mrs Elizabeth Martin  
 Rev Carol Murray (to 1 May 2004)  
 Mr Martin Pearse (Chairman)  
 Rev Peter Dewi Richards (to 18 February 2004)  
 Mrs Maureen Russell  
 Rev Roger Short  
 Rev Jeffrey Taylor  
 Mrs Corinna Woods  
 Rev Dr Alistair Brown (General Director)

#### Executive Directors

Rev Dr Alistair Brown (General Director)  
 Mr Mark Craig (Communications)  
 Rev David Kerrigan (World Mission)  
 Mr David Locke (Finance & Administration)  
 Rev Alan Pain (International Mission Centre)

#### Auditors

BDO Stoy Hayward LLP  
 Emerald House  
 East Street  
 Epsom  
 Surrey  
 KT17 1HS

#### Solicitors

Ashton Graham Solicitors  
 Electric House  
 Lloyds Avenue  
 Ipswich  
 IPI 3HZ

#### Bankers

Barclays Bank  
 125 Broadway  
 Didcot  
 OX11 8AW

#### Investment Managers

Carr Sheppards Crosthwaite  
 2 Gresham Street  
 London  
 EC2V 7QN

#### Actuaries

BWCI Consulting  
 Actuaries & Consultants  
 Albert House  
 South Esplanade  
 St Peters Port, Guernsey  
 Channel Islands  
 GY1 1AW

#### Principal offices

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 PO Box 49, Baptist House  
 129 Broadway, Didcot, OX11 8XA  
 Telephone: 01235 517700  
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 E-mail: [mail@bmsworldmission.org](mailto:mail@bmsworldmission.org)  
 Website: [www.bmsworldmission.org](http://www.bmsworldmission.org)  
 Registered charity number: 233782

The Board of Trustees of the Baptist Missionary Society (also known as 'BMS World Mission' and 'BMS') have pleasure in presenting their report and financial statements for the year ended 31 October 2004. The financial statements have been prepared in accordance with the Trust deed and requirements of the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued in October 2000.

## 1 Charity objects

The object of the charity is to enable the Baptist churches in the British Isles to respond to the call of God by sharing with all God's people in making known the gospel of Jesus Christ throughout the world, principally beyond the British Isles.

Our purpose and activities are described in our mission statement:

As a leading Christian mission organisation, we aim to share life in all its fullness with the world's peoples by:

- Enabling them to know Christ
- Alleviating suffering and injustice
- Improving the quality of life

With people as our primary agent of change – motivating, training, sending and resourcing them.

## 2 Governance

### *i Governing document*

The governing document of the charity is the constitution, which was last revised on 4 May 2003.

### *ii Restrictions to governing powers*

The constitution provides instructions as to the object, membership, annual meetings, trustee appointments, property, dissolution of the charity and revision of the constitution. There are no other specific restrictions to daily operations of the charity.

### *iii Appointment of new trustees*

New trustees are elected by General Committee and serve normally for a maximum period of six years. The nominations committee reviews those nominated as potential trustees to ensure they have the necessary skills to contribute to the charity's development before they are put forward for consideration by General Committee.

## 3 Organisation structure

Trustees are the final and top-level decision makers for the charity. The Board numbers 13 experienced and committed people who meet approximately eight times per annum. The Executive Directors attend meetings of the Board but do not vote (with the exception of the General Director).

Because of the size of the charity, staff are employed to carry out the policies set by the trustees. Within BMS there are currently five main departments each with its own director:

- General Directorate (Rev Dr Alistair Brown) – Providing overall leadership for BMS with major emphasis on management, strategic thinking and representation.
- Department of Finance & Administration (David Locke) – Responsible for all the support functions for BMS including accounting, investments, administration and IT.
- Department for World Mission (Rev David Kerrigan) – Responsible for BMS mission work overseas. Key roles include recruitment and placement of mission personnel and relationships with overseas partner bodies.
- Department for Communications (Mark Craig) – Responsible for the BMS corporate communications portfolio, including marketing strategy, design, publications, PR and website.
- BMS International Mission Centre, Birmingham (Rev Alan Pain) – Responsible for the delivery of training for BMS mission personnel and others. Most of that training is pre-mission service but there are plans for developing life-long training programmes.

Most departments also have managers and co-ordinators. With the directors they constitute the senior staff team. Each department has its own internal systems, most with regular meetings of senior staff and all staff.

#### 4 Related organisations and companies

##### *i Baptist House*

The charity has a 50% share in Baptist House Limited. The 50% share of assets and liabilities of this joint arrangement with the Baptist Union of Great Britain have been included under the appropriate headings of the Balance Sheet. In the Statement of Financial Activities external income is shown in the category 'Other income' and all costs relating to the arrangement are allocated to the appropriate cost heading within the 'Resources expended' section.

##### *ii Overseas partner organisations*

The charity works overseas with partner organisations, providing funding by way of grants and/or the provision of personnel. Details of these partners and grants can be found at Note 5.

#### 5 Activities during the year

##### *i Activities and achievements during the year*

At the end of the year, BMS had 132 (2002/2003: 142) fully supported mission personnel of whom 14 (2002/2003: 13) were in training. This has been further supplemented during the year by 132 (2002/2003: 89) supported partner workers, 53 (2002/2003: 47) volunteers and 127 (2002/2003: 140) others involved through short-term teams.

In addition through our Emergency Relief Fund we were able to make £125k (2002/2003: £191k) of grants towards overseas relief programmes. This has been done in close co-ordination with partner organisations and churches in order to ensure the resources effectively reach the people in most need.

##### *ii Change in activities during the year*

No major changes to charitable activities were made during the year.

##### *iii Material transactions during the year*

No unusually large or material transactions were made during the year.

##### *iv Post year end events*

No material post year end events have occurred that would influence this report or financial statements.

##### *v Volunteers*

The trustees are very grateful for the essential support given to the charity by many volunteers. These include volunteers serving overseas, the area, church and charity representatives and others who serve on the charity's committees and consultative bodies. The hard work of BMS Birthday Scheme secretaries raised £317k (2002/2003: £309k) while the BMS Stamp Bureau contributed a further £8k (2002/2003: £8k).

##### *vi Effectiveness of fundraising activities*

During the year, the charity received donations from churches and individuals totalling £4.8m (2002/2003: £4.5m) representing an 8% increase over the previous year.

We are pleased at the effectiveness of our fundraising activities in that our fundraising costs represent 6p in every £ received by the charity as donations (including legacy income). This compared favourably with other charities in the sector.

##### *vii Commentary on the statement of financial affairs*

The Trustees are pleased that there has been an overall 8% increase in donation income. Legacies have fallen, when compared with the previous year's figure, by £747k. The impact of this fall upon the total resources received has been partly offset by £188k from the sale of a property that was no longer required.

Charitable expenditure was budgeted to increase during the financial year but has actually fallen slightly. This is due to a number of factors including a lower than budgeted number of long term mission personnel. Additionally, the continued strength of the pound against the dollar meant that many of our grants which are committed in dollar amounts costs less than originally budgeted.

At the time of this report the number of applicants for overseas mission work received since the start of the financial year has been very encouraging. Looking towards the future the Trustees are satisfied that the strategic plans and budgets in place as a basis for further developing the mission work of the charity remain on course.

## 6 Plans for the future

The Board of Trustees is overseeing the implementation of an agreed three-year strategy for 2003 – 2005. Over that period three major areas of development have been identified, and these are:

### *Mission development*

This area seeks to develop a mission theology and practice which fully addresses the aims articulated within the BMS Mission Statement, focusing increasingly on areas with the most significant needs.

### *Support base development*

This recognises that mission is only possible when it is effectively supported. BMS World Mission therefore aims to develop a relationship-based approach to interacting with existing and potential supporters and workers. This will focus attention on two-way engagement and seek to encourage both active and engaged support.

### *Organisational development*

This will involve continuing to develop BMS World Mission as an organisation that is effective and responsive in identifying and meeting a wide range of existing and emerging mission needs.

Those major areas of development inform the strategic and operational plans of BMS World Mission for the final year of this plan. They present challenges but also hold the promise of exciting times ahead as BMS seeks to engage in practical and purposeful ways with the mission needs of an increasingly struggling world and aims to engage its supporters in a sense of partnership in mission.

## 7 Grant making policy

In the year the charity awarded grants of £1.0m (2002/2003: £1.1m). The trustees' policy is that grants are made against a budget, approved by the Board of Trustees and managed by the Department for World Mission. The policy of the charity is to give grants on the basis that they are subject to annual review and only renewed on the basis of meeting set criteria.

## 8 Investment policy

### *i Investment powers*

The trustees have the power to invest in such assets as they see fit.

### *ii Investment selection*

The trustees have considered the most appropriate policy for investing funds and use an investment manager to invest ethically in a mixture of equities, treasury bonds and cash. The investment objective for the general funds has been defined so as to achieve a balance of income and capital growth from a benchmark comprising of an asset allocation of 45% in UK equities, 5% in global equities, 45% in bonds (UK and overseas) and 5% in cash.

### *iii Investment performance during the year*

New investment managers, Carr Sheppards Crosthwaite, were appointed to manage the charity funds with effect from 1 November 2002. Investment performance is monitored on a calendar quarterly basis. The return on investment of free reserves for the year ending 30 September 2004 (the quarter nearest to the financial year end) was 9.4% against the above benchmark of 9.3%. The trustees are pleased with the progress to date.

## 9 Reserve policy and levels

As explained the charity carries out a variety of both long-term and short-term programmes. In many cases our commitment to our mission personnel is long-term. The trustees have examined the requirement for free reserves which are those unrestricted reserves not invested in fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of our work, this should equate to between nine and 12 months of budgeted expenditure equating to a range of £4.5m to £6m. This will provide us with the flexibility and resilience to cover any short-term funding crisis or a medium-term recession.

The free reserves at 31 October 2004 consist of £4.3m. The trustees plan to maintain a ten-year financial plan to manage the budget so that the target level of reserves is achieved and maintained. Such plans will take into account the long-term funding status of the charity's pension scheme. At the financial year-end under the FRS17 valuation method, after allowing for the net pension liability, the revised level of the charity's free reserves is equal to £3.2m, the equivalent of 6 months of budgeted expenditure.

## 10 Risk management

### *i Review of risks*

The trustees actively review on a regular basis the major risks which the charity faces. Working with the management team they have reviewed and approved an assessment of risks faced by the charity.

### *ii Systems to mitigate risks*

For each significant risk identified an appropriate action plan over a three-year timescale has been effected. The trustees believe that a review of financial, operational and business risks combined with this plan will help establish a system that will mitigate the significant risks.

## 11 Auditors

BDO Stoy Hayward LLP expressed their willingness to continue in office.

## 12 Statement of trustee responsibilities

Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements the trustees are required to:

- a select suitable accounting policies and then apply them consistently;
- b make judgements and estimates that are reasonable and prudent;
- c state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements and
- d prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity, and to enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under S44 of the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The trustees confirm that they have complied with these responsibilities in respect of these financial statements.

Signed on behalf of the Board:

Chairman

23 February 2005

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BMS WORLD MISSION

We have audited the financial statements of BMS World Mission for the year ended 31 October 2004 on pages 7 to 20. These financial statements have been prepared under the accounting policies set out on pages 10 to 11.

## Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our report has been prepared pursuant to the requirements of the Charities Act 1993 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Charities Act 1993 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

## Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 October 2004 and of its incoming resources and application of resources, including income and expenditure, for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Signed:

**BDO Stoy Hayward LLP**  
Chartered Accountants and Registered Auditors  
Emerald House  
East Street  
Epsom  
Surrey  
KT17 4AF

23 February 2005

# STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 October 2004

	Notes	Unrestricted Funds £000	Restricted Income Funds £000	Endowment Funds £000	Totals 2004 £000	Totals 2003 £000
<b>Incoming resources</b>						
Donations and gifts	2	3,612	1,225	-	4,837	4,463
Legacies		601	39	-	640	1,387
Grants		-	248	-	248	213
<i>Activities in furtherance of the charity's objects:</i>						
Resource sales		64	-	-	64	71
Investment income	3	201	45	-	246	239
Other income		308	188	-	496	268
<b>Incoming resources</b>		<b>4,786</b>	<b>1,745</b>	<b>-</b>	<b>6,531</b>	<b>6,641</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Fund raising & publicity	4	321	-	-	321	367
Investment management fees		3	-	-	3	1
		<b>324</b>	<b>-</b>	<b>-</b>	<b>324</b>	<b>368</b>
<b>Net incoming resources available for Charitable application</b>		<b>4,462</b>	<b>1,745</b>	<b>-</b>	<b>6,207</b>	<b>6,273</b>
<i>Charitable expenditure:</i>						
<i>Costs of activities in furtherance of the charity's objects:</i>						
Grants to mission partners	5	583	461	-	1,044	1,111
Mission programmes	6	3,738	1,333	-	5,071	5,011
Management & administration	7	38	-	-	38	46
<b>Total charitable expenditure</b>		<b>4,359</b>	<b>1,794</b>	<b>-</b>	<b>6,153</b>	<b>6,168</b>
<b>Total resources expended</b>		<b>4,683</b>	<b>1,794</b>	<b>-</b>	<b>6,477</b>	<b>6,536</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>103</b>	<b>(49)</b>	<b>-</b>	<b>54</b>	<b>105</b>
Transfers between funds	8	(320)	322	(2)	-	-
<b>Net incoming/(outgoing) resources</b>		<b>(217)</b>	<b>273</b>	<b>(2)</b>	<b>54</b>	<b>105</b>
<b>Net gains on investment assets</b>		<b>155</b>	<b>14</b>	<b>52</b>	<b>221</b>	<b>117</b>
<b>Net movement in funds</b>		<b>(62)</b>	<b>287</b>	<b>50</b>	<b>275</b>	<b>222</b>
<b>Fund balances at 1 November</b>		<b>11,084</b>	<b>1,269</b>	<b>1,045</b>	<b>13,398</b>	<b>13,176</b>
<b>Fund balances at 31 October</b>		<b>11,022</b>	<b>1,556</b>	<b>1,095</b>	<b>13,673</b>	<b>13,398</b>

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 10 to 20 also form part of these financial statements.

	<i>Notes</i>	2004 £000	2003 £000
Fixed assets			
Tangible assets	<i>9</i>	6,996	6,875
Investments	<i>10</i>	5,675	5,270
		<u>12,671</u>	<u>12,145</u>
Current assets			
Stock		11	15
Debtors	<i>11</i>	920	1,314
Short term deposits		421	324
Cash at bank and in hand		261	204
		<u>1,613</u>	<u>1,857</u>
Creditors: amounts falling due within one year	<i>12</i>	<u>(611)</u>	<u>(604)</u>
Net current assets		<u>1,002</u>	<u>1,253</u>
Net assets		<u><u>13,673</u></u>	<u><u>13,398</u></u>
Funds	<i>8</i>		
Endowment		1,095	1,045
Restricted		1,556	1,269
Unrestricted			
Designated funds		6,673	6,530
General funds (free reserves)		4,349	4,554
		<u>13,673</u>	<u>13,398</u>

The financial statements on pages 7 to 20 were approved by the trustees on 23 February 2005 and signed on their behalf by:

Chairman:

Treasurer:

Date: 23 February 2005

*The notes on pages 10 to 20 also form part of these financial statements.*

## CASH FLOW STATEMENT

For the year ended 31 October 2004

	<i>Note</i>	2004 £000	2003 £000
Net cash inflow/(outflow) from operating activities	17	102	(849)
Returns on investments and servicing of finance			
Investment income		246	239
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(449)	(198)
Proceeds from sale of tangible fixed assets		439	29
Purchase of investments		(1,144)	(1,434)
Proceeds from sales of investments		1,063	1,860
		<u>(91)</u>	<u>257</u>
Cash inflow/(outflow) before increase in liquid resources and financing		257	(353)
Management of liquid resources			
(Increase)/decrease in short term deposits		(97)	78
		<u>160</u>	<u>(275)</u>

*The notes on pages 10 to 20 also form part of these financial statements.*

## 1 Accounting Policies

## a Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity has complied with the requirements of the Charities Act 1993 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) issued in October 2000.

## b Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds, which have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those where donations are required to be retained as capital in accordance with the donors' wishes – permanent or expendable according to the nature of the restriction.

Investment income and gains are allocated to the appropriate fund.

## c Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In accordance with this policy, legacies are included when an entitlement arises during the year and the charity agrees the final estate accounts within two months of the year end. Where estate accounts have not been agreed but a material entitlement has been notified within this time period an estimate of the entitlement is shown in a note to the accounts but not included in the statement of financial activities.

## d Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Some have been apportioned on the proportion of floor area occupied by the activity whereas others have been apportioned on staff numbers or time used for the activity.

- Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Grants to mission partners are monies paid to partners for the support of their mission activities. Grants approved (where a constructive obligation has been entered into) but not remitted at 31 October 2004 have been treated as sundry creditors.
- Mission programmes costs comprise the expenditure, other than grants, made overseas including the support of mission personnel together with costs not allocated to specific countries. It also includes the support costs of overseas work.
- Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

## e Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is calculated to write down the original costs of the fixed assets over their estimated useful lives as follows:

Buildings	over 50 years
Computer	over 3 years
Furniture and fittings	over 3 years

## f Freehold land and buildings

Land and buildings are shown at original historical cost, probate value or subsequent valuation prior to the implementation of FRS 15 Tangible Fixed Assets. The transitional arrangements of FRS15 have been adopted where properties held at 31 October 2000 were revalued prior to that date. The charity is not continuing its revaluation policy in relation to such assets.

- g Investments  
Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.
- h Joint arrangement  
The charity has entered into a joint arrangement with the Baptist Union of Great Britain for the management of Baptist House, its headquarters building. Under the terms of this arrangement, the property is legally vested in corporate representatives of the two bodies and management of the property assigned to a management committee nominated by the two charities. The arrangement was undertaken to enable two unincorporated charities to jointly own and manage one property. The charity accounts for this arrangement by recognising its share of the relevant assets and liabilities, income and expenditure arising from this arrangement in the Balance Sheet and Statement of Financial Activities respectively. Transactions between the charity and the joint arrangement are eliminated on incorporating these amounts into the accounts of the charity.
- i Stock  
Stock is valued at the lower of cost and estimated net realisable value.
- j Pension costs  
The charity has continued to account for pension costs in accordance with SSAP24. Contributions to the charity's defined benefit contribution pension scheme are charged to the Statement of Financial Affairs evenly over the expected service lives of employees remaining. FRS 17 Retirement Benefits was issued in November 2000 but will not be mandatory for the charity until the year ended 31 October 2006.
- k Foreign currencies  
Transactions in foreign currencies are translated into Sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the Balance Sheet date. Any gain or loss on exchange is taken to the Statement of Financial Activities at that time.

2. Contributions and donations

	2004 £000	2003 £000
General work	3,840	3,592
Medical work		
Birthday scheme	317	309
Other	120	120
	<hr/> 437	<hr/> 429
Agriculture and development	358	292
Emergency relief fund	202	150
	<hr/> 4,837	<hr/> 4,463

3 Investment income

	2004 £000	2003 £000
UK investment dividends	196	192
Interest on cash deposits	42	39
Bank and other interest	8	8
	<hr/> 246	<hr/> 239

4 Fundraising and publicity

	2004 £000	2003 £000
Salaries and office costs	205	225
Other publicity expenditure	116	143
	<hr/> 321	<hr/> 368

5 Grants payable	Emergency Relief £000	Agriculture & Development £000	Medical Work £000	Partner Resourcing £000	Total 2004 £000
Overseas Partners					
Bangladesh Baptist Church Sangha	14	62	20	27	123
<i>India</i>					
Bengal Baptist Union	-	-	-	8	8
Baptist Church of Mizoram	2	-	-	5	7
Baptist Union of North India	-	-	-	45	45
Church of North India Dioceses	-	24	-	5	29
Palwal Christian Hospital	-	20	-	-	20
Baptist Convention of Indonesia	-	-	-	18	18
Lebanese Society for Education & Social Development	10	-	-	10	20
<i>Nepal</i>					
United Mission to Nepal	-	5	2	7	14
Multipurpose Community Development Service	-	43	-	-	43
South Central Asia Partner	-	17	-	-	17
<i>Sri Lanka</i>					
Farms Lanka	3	8	-	-	11
William Carey Institute	13	-	-	2	15
<i>Thailand</i>					
Burma Border Consortium	15	-	-	-	15
Karen Baptist Convention	-	-	3	2	5
Thailand Baptist Missionary Fellowship	-	12	4	4	20
Evangelical Baptist Church in Angola	-	9	5	63	77
<i>Democratic Republic of the Congo</i>					
Baptist Community of the River Congo	-	-	27	46	73
Evangelical Medical Institute, Kinshasa	-	-	5	2	7
Faculty of Theology, Kinshasa	-	-	-	3	3
Midibart	-	-	-	7	7
Mozambique Baptist Convention	-	-	-	3	3
North Africa, ACA	-	-	-	2	2
North Africa, ACT	-	13	-	-	13
South Africa Baptist Convention	-	-	-	15	15
Baptist Union of Uganda	23	2	-	11	36
National Baptist Convention of Zimbabwe	-	5	-	3	8
Brazil, Baptist Conventions	-	-	-	38	38
Nicaragua Baptist Convention	-	24	-	-	24
Baptist Union of Trinidad & Tobago	-	-	-	6	6
<i>Albania</i>					
Way of Hope Baptist Church	-	2	-	-	2
Albania Prison Fellowship	-	5	-	-	5
Union of Baptist Churches in Belgium	-	-	-	47	47
Baptist Union of Bulgaria	-	-	-	3	3
Baptist Union of Croatia	-	-	-	41	41
Federation of Evangelical Baptist Churches of France	-	-	-	23	23
Hungarian Baptist Aid	7	-	-	-	7
Baptist Evangelical Christian Union of Italy	-	-	-	9	9
Evangelical Christians Baptists in Ukraine	-	-	-	5	5
Other grants	-	-	-	31	31

5 Grants payable (continued)	Emergency Relief £000	Agriculture & Development £000	Medical Work £000	Partner Resourcing £000	Total 2004 £000
Overseas Individuals	-	-	-	15	15
International organisations					
All Africa Baptist Fellowship	-	-	-	4	4
Amity Christian Foundation (China)	-	-	-	9	9
Baptist World Aid	3	-	-	-	3
Baptist World Alliance	-	-	-	3	3
European Baptist Federation	-	-	-	6	6
Operation Mercy	35	-	-	-	35
SAT-7	-	10	-	24	34
UK organisations					
Churches' Commission on Mission	-	-	-	10	10
Global Connections	-	-	-	10	10
Other grants	-	-	-	14	14
Individuals	-	-	-	6	6
	125	261	66	592	1,044

6 Mission programmes	2004 £000	2003 £000
Mission personnel overseas costs	1,601	1,564
Department for World Mission	528	535
Building, equipment and transport costs	80	93
Mission personnel training	515	501
Overseas personnel training	62	60
Mission personnel retirement costs	168	167
Supplementary services	357	338
Education and recruitment	895	912
Central costs	865	841
	5,071	5,011

7 Management and administration	2004 £000	2003 £000
Salaries and office costs	17	27
Audit fee	19	16
Other management and administration expenses	2	3
	38	46

## 8 Statement of funds

	Balance at 1.11.03 £000	Incoming Resources £000	Resources Expended £000	Realised and Unrealised Gains £000	Transfers £000	Balance at 31.10.04 £000
<i>Endowment funds</i>						
Cyril Edwards Trust	370	-	-	24	-	394
Jane Mursell Trust	399	-	-	26	-	425
Joy Bushon Sircar Trust	199	-	-	(1)	-	198
Other endowment funds	77	-	-	3	(2)	78
	<u>1,045</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>(2)</u>	<u>1,095</u>

The income of the Cyril Edwards Trust is available to be used in any field where the charity operates.

The income of the Jane Mursell Trust is available to be used for women's work within the charity.

The income of the Joy Bushon Sircar Trust is to be used to benefit specific educational and church work in the Barisal area of Bangladesh. The Trust is invested in US dollar securities which have been converted into sterling at the rate ruling at 31 October 2004

	Balance at 1.11.03 £000	Incoming Resources £000	Resources Expended £000	Realised and Unrealised Gains £000	Transfers £000	Balance at 31.10.04 £000
<i>Restricted funds</i>						
Emergency relief fund	102	240	129	-	-	213
Angola and Democratic Republic of Congo medical fund	568	25	10	14	(11)	586
Medical	-	440	638	-	198	-
Agriculture and development	-	576	780	-	204	-
Restricted fixed assets reserve	389	-	-	-	(26)	363
Restricted property funds	-	188	-	-	-	188
Ivy Sullivan Trust	173	13	8	-	-	178
Other restricted funds	37	263	229	-	(43)	28
	<u>1,269</u>	<u>1,745</u>	<u>1,794</u>	<u>14</u>	<u>322</u>	<u>1,556</u>

The emergency relief fund represents funds set aside for relief and disaster response around the world primarily where the charity is involved.

The Angola and Democratic Republic of Congo medical fund is available for medical work in Angola and the Democratic Republic of Congo.

The transfers to the medical and agricultural and development fund are from general reserves to cover the excess of that expenditure over income received.

The restricted fixed assets reserve represents the value of properties which have been left to the charity with restricted use.

Restricted property funds are held following the sale, approved by the Charity Commission, of a property left to the charity with restricted use.

The funds of the Ivy Sullivan Trust are available for the provision of housing for retired mission personnel whose health has suffered during their services abroad.

## 8 Statement of funds (continued)

	Balance at 1.11.03 £000	Incoming Resources £000	Resources Expended £000	Realised and Unrealised Gains £000	Transfers £000	Balance at 31.10.04 £000
<i>Unrestricted Funds</i>						
<i>Designated</i>						
Fixed assets reserve	6,487	154	-	-	(8)	6,633
Other designated funds	43	-	28	-	25	40
	<u>6,530</u>	<u>154</u>	<u>28</u>	<u>-</u>	<u>17</u>	<u>6,673</u>
<i>General funds</i>						
(Free reserves)	4,554	4,632	4,655	155	(337)	4,349
	<u>11,084</u>	<u>4,786</u>	<u>4,683</u>	<u>155</u>	<u>(320)</u>	<u>11,022</u>

The fixed assets reserve represents amounts set aside equivalent to the net book value of property, equipment and vehicles used by the charity and purchased from unrestricted funds. The transfer from the fixed assets reserve is to the general fund to bring the reserve into line with the value of the fixed assets at the year end.

## 9 Tangible fixed assets

	Land and Buildings £000	Furniture and Equipment £000	Motor Vehicles £000	Total £000
<i>Cost</i>				
1 November	7,003	968	-	7,971
Additions	363	55	31	449
Revaluations				-
Disposals	(67)	(139)	(31)	(237)
31 October	<u>7,299</u>	<u>884</u>	<u>-</u>	<u>8,183</u>
<i>Depreciation</i>				
1 November	327	769	-	1,096
Charge for year	117	114	-	231
Disposals	(3)	(137)	-	(140)
31 October	<u>441</u>	<u>746</u>	<u>-</u>	<u>1,187</u>
<i>Net book value</i>				
31 October 2004	<u>6,858</u>	<u>138</u>	<u>-</u>	<u>6,996</u>
31 October 2003	<u>6,676</u>	<u>199</u>	<u>-</u>	<u>6,875</u>

After the financial year end, on 12 November 2004, a property was purchased at a cost of £455,000.

## 10 Fixed asset investments

	2004	2003
	£000	£000
<i>Analysis of movements in the year</i>		
Market value 1 November	4,602	4,911
Add acquisitions at cost	1,144	1,434
Less disposals at balance sheet value	(1,043)	(1,794)
Net gains on revaluation for the year	200	51
	<u>4,903</u>	<u>4,602</u>
Cash deposits	772	668
Market value at 31 October	<u>5,675</u>	<u>5,270</u>
<i>Historical cost at 31 October</i>	<i>5,300</i>	<i>5,123</i>

*Analysis of investments held at 31 October**UK listed investments*

Direct investments	3,941	3,294
Indirect investments	592	950
	<u>4,533</u>	<u>4,244</u>

*Non-UK listed investments*

Direct investments	-	-
Indirect investments	370	358
	<u>370</u>	<u>358</u>

## Cash deposits

	772	668
	<u>5,675</u>	<u>5,270</u>

## Of which investments exceeding 5% of total portfolio:

CUTM Income Trust for Charities	-	830
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## 11 Debtors

	2004	2003
	£000	£000
Trade debtors	13	2
Other debtors	250	241
Prepayments	92	55
Prepaid pension contributions	429	464
Accrued income	136	552
	<u>920</u>	<u>1,314</u>

Other debtors include secured loans of £50,500 and an unsecured loan of £12,074 not due for repayment within the next year; all other debts are due within one year.

## 12 Creditors: amounts falling due within one year

	2004	2003
	£000	£000
Loans	11	13
Trade creditors and accruals	244	284
Other creditors	206	208
Grants approved but not paid	141	99
Deferred income	9	-
	<u>611</u>	<u>604</u>

## 13 Staff costs

The costs of mission personnel and other employees of the charity during the year were as follows:

	2004 £000	2003 £000
Allowances and salaries	2,462	2,385
Pension contributions	323	318
National Insurance contributions	145	140
Relocation payments	21	5
	<u>2,951</u>	<u>2,848</u>

No employee earned in excess of £50,000 during the year.

Average number of employees:

Mission personnel	125	131
Other employees	70	73
	<u>195</u>	<u>204</u>

During the year the following employees had secured loans from the charity:

	Amount of loan At 1.11.03 £	Amount of loan At 31.10.04 £	Purpose of loan
Mr D Clark	15,000	15,000	House purchase
Mr M J Quantick	35,500	35,500	House purchase

Loans for house purchase are repayable on or before resignation or retirement from the service of the charity. The interest on these loans is fixed by the charity's Treasurer at 1 November each year and is based on the average rate of interest on the charity's investments in fixed interest stocks and short-term deposits.

## 14 Trustees' remuneration

No emoluments were paid to the trustees, with the exception of the General Director, Rev Dr Alistair Brown, who is employed by the charity and is remunerated on the same basis as other employees but receives no remuneration for his duties as a trustee. The constitution makes particular provision for the General Director to be an employee of the charity and the Charity Commission has given formal assent to this. Dr Brown's emoluments during the year were £40,575 (2003: £39,528). He was also reimbursed for all necessary expenses incurred in carrying out his duties as an employee of the charity, a total of £1,892 (2003: £2,972). Other trustees were reimbursed for their incidental expenses in attending committee meetings.

During the year a total of £16,050 (2003: £12,107) was reimbursed to 14 trustees (2003: 16) in respect of committee expenses. One trustee had close family members who were employed as mission personnel during the year. One trustee was a previous employee of the charity and has rights within the BMS Pension Scheme.

## 15 Pension costs

The charity has continued to account for pension costs in accordance with SSAP 24. Contributions to the charity's defined benefit contribution pension scheme are charged to the Statement of Financial Affairs evenly over the expected service lives of employees remaining. FRS 17 Retirement Benefits was issued in November 2000 but will not be mandatory for the charity until the year ended 31 October 2006.

## a BMS Pension scheme

The charity operates a final salary defined benefit scheme for its permanent employees, which is not contracted out of the State Earnings Related Pension Scheme. The assets of the scheme are held separately from those of the charity and are invested by the scheme's trustee, the Baptist Missionary Society Pension Trust Limited, in consultation with their investment managers. The contributions are determined on the advice of a qualified actuary on the basis of a triennial valuation, the most recent valuation being as at 31 December 2003.

15 Pension costs (continued)

a BMS Pension scheme (continued)

The valuation of the scheme as at 31 December 2003 showed the market value of the assets to be £13,987,000, representing 103% of the value of past service liabilities. The charity's contributions to the scheme were 10% of members' pensionable salaries. During the year ended 31 October 2004 the charity made payments totalling £287,159 to the scheme (2003: £782,113). From 1 November 2004, the charity's contributions to the scheme were increased to 12.5% and from 1 November 2005 will be 15%.

b FRS 17 Retirement benefits

The charity operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 December 2003 by a qualified independent actuary.

The major assumptions used by the actuary for FRS17 purposes were:

	At 31.10.04 %	At 31.10.03 %	At 31.10.02 %
Rate of increase in salaries for UK staff	4.40	4.30	3.80
Rate of increase in salaries for overseas staff	3.90	4.30	3.80
Rate of increase in pensions in payment	2.70	2.70	2.40
Discount rate	5.40	5.50	5.60
Inflation assumption	2.90	2.80	2.30

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31/10/2004 %	Value at 31/10/2004 £000	Long-term rate of return expected at 31/10/2003 %	Value at 31/10/2003 £000	Long-term rate of return expected at 31/10/2002 %	Value at 31/10/2002 £000
Equities	7.75	9,649	8.00	9,599	7.50	8,924
Bonds	5.00	3,403	5.30	3,376	4.60	2,577
Cash	6.17	1,296	3.50	735	3.50	610
Total market value of assets		<b>14,348</b>		<b>13,710</b>		<b>12,111</b>
Present value of scheme liabilities		<b>(15,524)</b>		<b>(15,691)</b>		<b>(13,882)</b>
Deficit in the scheme		<b>(1,176)</b>		<b>(1,981)</b>		<b>(1,771)</b>
Related deferred tax liability		-		-		-
Net pension liability		<b>(1,176)</b>		<b>(1,981)</b>		<b>(1,771)</b>

Analysis of the amount chargeable to charitable expenditure

	2004 £000	2003 £000
Current service cost	427	443
Past service cost	-	-
Total operating charge	<b>427</b>	<b>443</b>

Analysis of the amount chargeable to pension finance costs

Expected return on pension scheme assets	(968)	(802)
Interest on pension scheme liabilities	846	759
Net return	<b>(122)</b>	<b>(43)</b>

15 Pension costs (continued)

b FRS 17 Retirement benefits (continued)

Analysis of amount recognisable within the Statement of Financial Activities gains and losses categories

	2004 £000	2003 £000
Actual return less expected return on pension scheme assets	(10)	415
Experience gains arising on the scheme liabilities	910	280
Changes in assumptions underlying the present value of the scheme liabilities	(81)	(1,289)
Actuarial gain/(loss) on defined benefit scheme	<b>819</b>	<b>(594)</b>

Movement in surplus during the year

	2004 £000	2003 £000
Deficit in scheme at beginning of the year	(1,981)	(1,771)
Movement in year:	-	-
Current service costs	(427)	(443)
Contributions	291	784
Past service costs	-	-
Other finance income	122	43
Actuarial gain/(loss)	819	(594)
Deficit in scheme at end of the year	<b>(1,176)</b>	<b>(1,981)</b>

History of experience gains and losses

	y/e 31/10/04	y/e 31/10/03	y/e 31/10/02
Difference between the actual and expected return on scheme assets:			
amount (£'000)	(10)	415	(2,877)
%age of scheme assets	0%	3%	(24)%
Experience gains and losses on scheme liabilities:			
amount (£'000)	910	280	(731)
%age of the present value of the scheme liabilities	6%	2%	(5)%
Total amount recognised in statement of total gains and losses:			
amount (£'000)	819	(594)	(2,459)
%age of the present value of scheme liabilities	5%	(4)%	(18)%

16 Analysis of net assets between funds

Fund balances at 31 October are represented by:

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2004 £000	Total 2003 £000
Tangible fixed assets	-	6,633	363	-	6,996	6,875
Investments	3,347	40	1,193	1,095	5,675	5,270
Current assets	1,613	-	-	-	1,613	1,857
Current liabilities	(611)	-	-	-	(611)	(604)
	<b>4,349</b>	<b>6,673</b>	<b>1,556</b>	<b>1,095</b>	<b>13,673</b>	<b>13,398</b>

It is considered that each fund is held in a form appropriate to any restrictions applying.

17 Reconciliation of net incoming resources to net cash inflow/(outflow) from operating activities

	2004	2003
	£000	£000
Net incoming resources	89	105
Investment income	(246)	(239)
Profit from sale of fixed assets	(342)	(4)
Depreciation	231	238
Decrease/(increase) in stocks	4	(1)
Decrease/(increase) in debtors	394	(876)
Decrease in creditors	(28)	(72)
Net cash inflow/(outflow) from operating activities	<u>102</u>	<u>(849)</u>

18 Reconciliation of net cash flow to movement in net funds

	2004	2003
	£000	£000
Increase/(decrease) in cash in the year	160	(275)
Cash outflow/(inflow) from increase/(decrease) in liquid resources	97	(78)
Movement in net funds in the year	<u>257</u>	<u>(353)</u>
Net funds at 1 November 2003	<u>1,196</u>	<u>1,549</u>
Net funds at 31 October 2004	<u>1,453</u>	<u>1,196</u>

19 Analysis of net funds

	At 1 November 2003 £000	Cash flows £000	At 31 October 2004 £000
Cash at bank and in hand	204	57	261
Cash held in investment portfolio	668	103	771
Short term deposits	324	97	421
	<u>1,196</u>	<u>257</u>	<u>1,453</u>